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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

In the Matter of	)	
	)	
Interconnection Between Local Exchange Carriers and Commercial Mobile Radio Service Providers	)))	CC Docket No. 95-185

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Comments of
CELLULAR COMMUNICATIONS OF PUERTO RICO, INC.

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Summary

Cellular Communications of Puerto Rico, Inc. ("CCPR") is a nonwireline cellular carrier in the Commonwealth of Puerto Rico where the sole local exchange carrier ("LEC") is the Puerto Rico Telephone Company ("PRTC"). PRTC is a governmental entity and, as such, is affiliated with the State regulatory agency.

The current interconnection agreement between CCPR and PRTC was a "take it or leave it" contract that requires CCPR to pay 6 cents per minute for the access necessary to terminate a call in the PRTC network. CCPR must pay the same 6 cents per minute for calls that originate on PRTC landline phones and terminate in CCPR's cellular network. Additionally, CCPR must pay a monthly charge for the use of the lines that interconnect its switch with the LEC's tandem and this charge is not shared by PRTC. PRTC has thus completely ignored the Commission's policy of mutual compensation. Because the LEC is affiliated with the State regulatory agency, there has been no effective mechanism to regulate intrastate interconnection terms or to guard against cross-subsidization of LEC inefficiencies.

To remedy this type of abuse, the Commission should adopt mandatory "bill and keep" for commercial mobile radio service ("CMRS") to LEC interconnection. At least in Puerto Rico, where the LEC is affiliated with the

State regulatory agency, bill and keep arrangements should be fully symmetrical, covering all elements of both CMRS and LEC networks necessary to terminate calls originating on the other's facilities. Accordingly, in such special circumstances, if a CMRS carrier's mobile telephone switching office ("MTSO") is interconnected with a LEC tandem, bill and keep should cover everything except the dedicated line that connects the two switches, and the costs of that line should be shared as well. Additionally, the Commission should adopt rules requiring LECs to repay CMRS providers for overcharges that have resulted from past disregard for the Commission's mutual compensation policy.

The Telecommunications Act of 1996 ("1996 Act") provides the Commission with a clear mandate to establish rules governing interconnection between LECs and CMRS carriers. The 1996 Act also requires the Commission to mediate or arbitrate interconnection agreements when the State agency fails to do so. The Commission should establish requirements for Commission action within 90 days of the date on which it preempts the State's jurisdiction in such cases.

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CELLULAR COMMUNICATIONS OF PUERTO RICO, INC.

I. General Comments

Cellular Communications of Puerto Rico, Inc. ("CCPR") hereby submits these comments in response to the *Notice of Proposed Rulemaking* in the above-captioned Docket (FCC 95-505, released January 11, 1996) (hereinafter, "NPRM"). CCPR, through its affiliates, is the nonwireline cellular licensee in 11 of the 12 MSAs and RSAs in the Commonwealth of Puerto Rico and throughout the United States Virgin Islands. Accordingly, CCPR can provide details of its substantial history of interconnection with the local exchange carrier ("LEC") in Puerto Rico and CCPR will be directly affected by the outcome of this rule making.

The sole LEC in Puerto Rico is the Puerto Rico Telephone Company ("PRTC"), a division of the government of the Commonwealth of Puerto Rico. A subsidiary of PRTC also operates the wireline cellular carrier in Puerto Rico. CCPR relies on PRTC for interconnection to the local public switched telephone network and wherever its activities are subject to State jurisdiction CCPR must submit to regulation by its competitor's parent.[1] Thus, not only does PRTC enjoy the freedom of being essentially self-regulated, its competitors, such as CCPR, suffer the risk of State regulation that favors PRTC.

PRTC enjoyed a significant wireline head start in the provision of cellular service in Puerto Rico. PRTC managed to extend that head start through its intractability during "negotiations" for an interconnection agreement. In reality, the agreement was a "take it or leave it" proposition with extremely onerous terms discussed below. CCPR accepted the contract only because CCPR could not begin to provide cellular service without it. The initial interconnection agreement had a term of three years, expiring in 1993. At its expiration CCPR attempted to negotiate more reasonable and equitable terms, while PRTC claimed that it needed to raise rates even higher. Consequently, the parties continue to operate under the original interconnection agreement today.

The relationship in Puerto Rico between the LEC and commercial mobile ratio service ("CMRS") providers is an excellent example of the problems that have already been brought to light in this proceeding.[2] PRTC has completely rejected the Commission's long-standing policy of mutual compensation. In fact,

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1 The Communications Act defines "State" to include Puerto Rico. 47 U.S.C. § 153(v).

2 NPRM at ¶¶ 26-27.

PRTC has imposed *originating access* charges on CCPR for terminating land-originated traffic. With no viable regulatory controls, PRTC has attempted to extend its power beyond its local exchange monopoly.[3]

CCPR understands that the Commission cannot base its national interconnection rules upon the unique situation that has developed in Puerto Rico where the LEC is affiliated with the State regulatory agency. The Commission, however, must include some form of "safety net" to ensure that mobile service carriers and their customers cannot be held hostage to LEC devices, particularly in situations such as that in Puerto Rico where there is no effective State regulation of interconnection.

CCPR strongly supports the imposition of mandatory "bill and keep," at least until such time as LECs and CMRS providers face each other as relative equals across the bargaining table. Furthermore, where the LEC is affiliated with the State regulatory agency, bill and keep should apply to *all* facilities that either carrier, LEC or CMRS, uses to complete the calls originated by customers of the other, except for dedicated facilities that directly connect the carriers' networks. Only this type of mutual compensation can withstand the pressures that have created the inequities present today in Puerto Rico.

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3 *See* NPRM at ¶ 32, citing Brock, "Interconnection and Mutual Compensation With Partial Competition," at 2-6.

II. Compensation of Interconnected Traffic between LEC and CMRS Networks.

A. Compensation Arrangements

1. Existing Compensation Arrangements.

Despite the Commission's long-standing policies regarding mutual compensation, the interconnection contract between CCPR and PRTC contains no provision for reciprocal compensation. Even though the Commission has stated that cellular carriers are "co-carriers" and not interexchange carriers ("IXCs"), PRTC charges for interconnection at rates developed by the National Exchange Carrier Association ("NECA") for application to interstate IXCs.

CCPR has chosen type 2A interconnection with both of PRTC's tandems. CCPR paid non-recurring charges to fully cover the cost to construct and install T-1 lines to interconnect its MTSO with PRTC's tandems and to "open" CCPR's NXX to the PRTC network. Although CCPR was (and is) willing and able to construct and maintain the T-1 lines itself at a lower cost, PRTC does not allow

CCPR or any third party to provide these lines.[4] CCPR must pay a monthly charge for the use of the T-1s, which charge is not shared by PRTC, regardless of the volume of LEC-originated traffic that flows over the lines.

PRTC charges CCPR a total of six cents ($0.0600) per minute for the access to the PRTC network necessary to terminate calls that originate on CCPR's cellular system. This includes payment for local switching, local transport termination, local transport facility, and an information surcharge, with rates currently derived from the NECA Tariff FCC # 5 that was in effect on January 17, 1990.

PRTC provides CCPR two choices — neither of which amounts to compensation to CCPR — for calls that originate on PRTC's network and terminate on CCPR's. The first choice is to have PRTC bill the landline customer that initiates the call 20¢ or 25¢ for the first minute of the call and 15¢ to 20¢ for each additional minute of the call, with no terminating charge imposed on CCPR.[5]

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4 To the extent that this position was supported by a statutory monopoly on the provision of certain communications services, it is now preempted by Section 101 of the Telecommunications Act of 1996 ("1996 Act"), codified at 47 U.S.C. § 253(a).

5 The higher rates are for periods of "Trafico Maximo," or peak traffic, which is 7 am to 7pm, Monday through Friday. The lower rates are for all other times during the week and all day on seven annual holidays. The rates are published in PRTC's Puerto Rico Tariff Schedule K. Further, these charges are for all intrastate calls, regardless of their origination, including calls originating within the local calling area of the PRTC (continued...)

The second choice is for CCPR to pay PRTC the same six cents per minute that CCPR must pay for calls that originate on its network. Because PRTC does not charge landline customers for calls that terminate on the facilities of its cellular affiliate,[6] CCPR has had no genuine choice. To remain competitive, it must pay access charges of six cents per minute for all calls interconnected with the LEC, regardless of their origination. This holds true as well for calls that originate outside Puerto Rico and terminate through PRTC's switch in CCPR's network. In such cases the PRTC is paid *both* by the IXC *and* by CCPR, even though it provides no local transport or end office switching and its local loop is not used in the call.

Approximately 30% of the traffic flowing between CCPR's switch and PRTC's system originates on PRTC's network. The remaining approximately 70% originates on CCPR's network or is routed through its tandem from IXCs. Thus, in a world of mutual compensation, CCPR would be paying only a net 40% of its current interconnection bill. Since it is currently paying for 100% of the interconnected traffic and has done so since the inception of its cellular service, its

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[5](...continued)
tandem that delivers the calls to CCPR. In essence, PRTC would impose "toll" charges on land-mobile calls if CCPR did not elect to pay terminating interconnection charges.

[6] This is just one of many examples of how PRTC cross-subsidizes its LEC operations and treats is cellular affiliate as nothing but a "pass-through" for revenue purposes.

overpayments amount to over half of what it has paid in traffic-sensitive access charges.[7]

CCPR submits that, but for PRTC's unreasonable interconnection terms and conditions and other efforts to stymie the development of CMRS as a viable alternative to landline service, CMRS traffic levels would be even higher. Meanwhile, the percentage of landline-originated traffic that terminates to CMRS subscribers in Puerto Rico has increased steadily and is expected to continue doing so. In part this is because of PRTC's inefficiencies. The waiting period for a new business or residential phone line in Puerto Rico can be several months. In contrast, new subscribers can walk up to a CCPR sales outlet or a cellular reseller's kiosk in a mall and walk away with a phone and activated service.

In any event, landline-to-CMRS and CMRS-to-CMRS traffic will continue their rapid growth unless CMRS is unduly hampered by the continuation of inequitable interconnection rates and policies. PRTC has stated that much of Puerto Rico is characterized by rural and mountainous tracts that are expensive to

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7 PRTC should have reimbursed CCPR for 30% of the monthly usage-sensitive interconnection charges. CCPR should have paid PRTC for only the remaining 70% of such charges. Assuming that the costs of terminating a call are roughly equivalent for both LEC and CMRS carrier, that would have meant that CCPR would have paid a net 40% (70% - 30%) of such overall monthly charges. Because CCPR actually paid the entire amount of such usage-sensitive charges, 60% of such amounts constituted an overpayment (100% - 40%).

serve with landline telephony.[8] Residents in such areas may find that mobile wireless service is better able to meet their communications needs. CMRS may also be a cost-effective substitute for landline phone service as well. PRTC's local service rates are reportedly as much as 42% higher than the national average.[9] Additionally, while PRTC charges more for a call across the island than AT&T charges for many calls from San Juan to the continental U.S., CCPR does not impose toll charges on its subscribers' calls, regardless of where in Puerto Rico or the U.S. Virgin Islands the calls originate and terminate. When Centennial Cellular Corporation and AT&T begin providing broadband PCS service in Puerto Rico, more and more consumers may find that CMRS is a viable substitute for landline service.

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8 PRTC Comments in RM No. 8708, at 8, n. 10, November 22, 1995.

9 *See, e.g.*, Comments of Lambda Communications, Inc. in RM No. 8708, at 22 *et. seq.*, September 29, 1995.

2. General Pricing Principles

CMRS-LEC interconnection involves both dedicated and shared facilities. The necessity of a distinction between cost-recovery methodologies for dedicated and shared facilities is unassailable.[10] The difficulty, in CCPR's experience, arises in the billing arrangements for each. For instance, CCPR pays 100% of the costs for the T-1s that connect its MTSO with PRTC's tandems, even though the LEC's customers share the benefit of the line whenever their calls are terminated on CCPR's network. Landline-originated calls make up 30% of the traffic using this line; the cost of installing and maintaining such connections should be allocated accordingly between the LEC and the CMRS provider.

Further, each entity should have the ability to determine the type, capacity, and supplier of its desired dedicated facilities. In CCPR's case, PRTC has not allowed CCPR to do so. CCPR would prefer to supply the T-1s itself and could do so at a lower cost than the LEC. By refusing to allow such a choice, the LEC can use its control over the facilities to force interconnecting CMRS providers to

10 *See* NPRM at ¶ 42.

subsidize LEC inefficiencies. Mandating competition in the supply of dedicated facilities will foster efficiency and lower prices for carriers and subscribers alike.[11]

With regard to the mutual compensation for the use of shared facilities in Puerto Rico, although long run incremental costs ("LRIC") may theoretically reflect the true economic costs of providing interconnection, the precise determination of LRIC for any given function is difficult and the recovery of costs in excess of LRIC jeopardizes the Commission's goal of efficient pricing.

Additionally, the allocation of shared costs and overhead invites abuse. Throughout negotiations for a new interconnection agreement between CCPR and PRTC, which began in 1993 and terminated without resolution, the LEC has claimed that its interconnection charges, three times the national average, are "cost based." PRTC's support for this premise has been a calculation of all costs purportedly involved with the provision of a service, including overhead, divided by an historical average number of minutes of use for which the service was

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[11] In Puerto Rico, where the LEC is a governmental entity, Section 101 of the 1996 Act should alleviate this problem by foreclosing the ability of a State entity to have the effect of prohibiting the provision of such services by a CMRS provider. Nonetheless, consistent with the Commission's policies supporting the provision of expanded interconnection between LECs and competitive access providers, the Commission's rules should mandate competition in the supply of dedicated interconnection facilities, without the exemption from expanded interconnection obligations available to PRTC by virtue of its membership in the NECA pool. With such competitive options, the LEC and CMRS carrier could each supply its own lines or jointly reach a decision to purchase only one facility and share the cost. In that case the cost to the CMRS carrier (at least in CCPR's circumstances) will be more reasonable.

provided. This method of determining costs ignores the fact that the sunk costs of construction and ongoing maintenance for such facilities as the tandem switch and local loop exist to serve the needs of landline customers, independently of interconnection with CMRS providers.

Any LRIC accounting system that allows the recovery of shared overhead would reduce the LEC's incentives to improve efficiency and cut costs. In the case of PRTC, where no effective State regulatory agency guards against cross-subsidization, CMRS carriers would be forced to pay for the mistakes and inefficiencies of the entire LEC system, including facilities and services that are not involved in the termination of CMRS calls. The dangers of this are even greater in Puerto Rico, where, as a governmental entity, PRTC is subject to significant political influence (and the carrier's operations, by its own admission, are less efficient than most other LECs). An example of how costs can be shifted to CMRS subscribers by political whim can be seen in a recent Commonwealth law that funds the provision of enhanced 911 service in Puerto Rico. Although the proportion of calls to 911 operators from cellular phones is small, to fund such services the law prescribes a fee for cellular subscribers that can be twice that imposed on residential landline subscribers.[12] In public hearings, legislators have explained that this decision was made because cellular service is not an essential

[12] Puerto Rico Law No. 108, amending the law governing the Commonwealth's 9-1-1 system, enacted August 3, 1995.

service and cellular subscribers are generally more affluent than landline subscribers; consequently, according to the legislators, they can afford to subsidize the emergency service. If permitted, the same reasoning could be used to shift vast amounts of LEC overhead to CMRS subscribers.

Because of its simplicity and inherent fairness, an interconnection pricing system that acknowledges LRIC of next to nothing and allows both LEC and CMRS carriers to bill their own subscribers for such costs and keep the proceeds is the ideal system. Just as the LEC has invested in the costs of its switches, transport, and local loop, the CMRS provider has extensive sunken costs involved in its MTSO, its cells, and the network that connects them. Given the costs of adding cells and connecting them to a network, it may be more expensive to terminate a call through CMRS facilities than through landline facilities.[13]

PRTC has exhibited great pride in the advances it is making in increasing telephone penetration in Puerto Rico, now low by continental U.S. standards, as well as its installation of modern facilities.[14] The LEC's switching and transport facilities must therefore be designed and constructed to handle a volume of traffic far higher than that currently experienced. Accordingly, the incremental costs involved in handling CMRS terminations are *de minimis.*

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13 *See also* NPRM at ¶ 27 and citations therein.

14 PRTC Comments in RM No. 8708 at 4-5.

Given the problems that would be encountered in determining the actual costs that should be recovered through mutual compensation, the fact that true LRIC would be *de minimis* and would be "zeroed out" in balancing the recoverable incremental costs of CMRS provider and LEC, and, at least in Puerto Rico, the abuses that have been encountered in the past,[15] bill and keep represents the best interim solution for mutual compensation.

In the 1996 Act Congress expressed its mandate to simplify and streamline the establishment of fair and reasonable interconnection arrangements by stating that, despite the requirements for cost-based interconnection rates, neither the Commission nor State commissions may engage in extensive proceedings to establish the additional costs of transporting and terminating calls.[16] Bill and keep arrangements, specifically cited by the 1996 Act as acceptable forms of mutual compensation,[17] satisfy the statute's requirements by providing a reasonable approximation of the costs of terminating calls[18] without the expensive and extensive proceedings that Congress has specifically prohibited.

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15 As discussed, *see supra* p 6, approximately 60% of interconnection charges paid by CCPR since 1991 must be considered overpayment in light of the Commission's policy of mutual compensation.

16 Telecommunications Act of 1996, § 101, codified as 47 U.S.C. § 252(d)(2)(B)(ii).

17 47 U.S.C. § 252(d)(2)(B)(i).

18 47 U.S.C. § 252(d)(2)(A)(ii).

3. Pricing Proposals (Interim, Long Term, Symmetrical)

Because it is fair, efficient, low in transactional costs, and easily enforced, bill and keep is the most effective form of mutual compensation for the long term as well. Indeed, until LRIC pricing is more than near zero, there is no basis to stray away from bill and keep.

If, however, the Commission finds it inappropriate to mandate bill and keep as its long term interconnection solution despite the practical and economic justifications supporting it, then the Commission should at least guarantee that this inherently fair system remains effective until changes in the marketplace create *de facto* co-carrier status for CMRS providers. This status in part may be determined by comparing the ratio of access lines provided by the incumbent LEC with those provided by all other suppliers of local telephony service, landline and wireless. For instance, the Commission could determine that when the incumbent LEC's share of such access lines within its service area falls below 50% a transition to long-term rules would take place. The Commission, however, has determined that market share is not the only test of a carrier's ability to exercise market power in interconnection arrangements. For this reason the Commission should apply its well-developed principals of dominance in the local exchange market.[19] At the point where an incumbent LEC is found to be nondominant, interconnection to co-carriers by the LEC becomes as important to it as interconnection in the opposite direction is for the other carriers. Hence, all parties would have the incentive to negotiate fair and efficient interconnection agreements that would account for any differential costs among carriers that might become apparent.

CCPR supports the Commission's conclusion that LEC-CMRS interconnection rates should be both reciprocal and symmetrical. At least in Puerto Rico, however, that symmetry should extend from both sides of the point of interconnection of the two systems. Accordingly, in cases where the LEC is affiliated with the State regulatory agency, if a CMRS carrier's MTSO is interconnected with a LEC's tandem, then the symmetrical mutual compensation should cover everything except the dedicated line that connects the two switches.[20] If LRIC is to be the basis for determining fair interconnection charges and if the LRIC of terminating CMRS traffic is *de minimis* for every individual subset of interconnection charges (*i.e.*, tandem switching, common transport, end office switching, local loop) then the sum of all such charges is not worth the

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19 *See, e.g.*, Motion of AT&T Corp. to be Reclassified as a Non-Dominant Carrier, FCC 95-427, 1995 FCC LEXIS 6877 (Released October 23, 1995).

20 As stated earlier, the costs of that line should be shared as well. *See supra* n. 11.

administrative costs of tracking and comparing with the subsets of functions involved in terminating LEC-originated traffic (*i.e.*, MTSO switching, transport to cells, transmission from cells to mobile equipment).

Moreover, as described above in the special case of CCPR-PRTC interconnection, where the LEC is affiliated with the State regulatory agency, allowing the LEC to charge for any access function that does not balance against a symmetrical cellular function (*e.g.* tandem switching and transport between tandems and end offices) would open the door for shifting overhead and other shared costs into the rates charged for such function.[21]

The Commission has requested comment on whether violations of its existing mutual compensation requirements exist.[22] In previous sections of these comments CCPR has provided details of how its existing "take it or leave it" interconnection contract with PRTC provides no compensation from the LEC for termination of its traffic. CCPR must pay PRTC for receiving landline-originated traffic that terminates in CCPR's cellular system.[23]

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21 *See supra* pp 10-11.

22 NPRM at ¶ 81.

23 In 1993, as part of the still uncompleted negotiations for a new interconnection agreement, PRTC offered to address "CCPR's co-carrier concept" by not charging CCPR full interconnection rates for calls that originated *off-island* (*i.e.*, calls brought to Puerto Rico by IXCs on which PRTC imposes access charges, including carrier common line charges, even though it does not terminate the calls, but merely passes them along to (continued...)

The Commission has also asked whether its procedure for filing complaints when a LEC fails to charge uniform rates to CMRS for interstate interconnection provides a sufficient avenue for obtaining remedies.[24] The requirement and the complaint procedure do not present an effective deterrent to PRTC's abuses. This is largely because the bulk of interconnected CMRS-LEC traffic is intrastate, allowing the LEC to argue that the Commission lacked a clear mandate for mutual compensation with regard to intrastate traffic. The Commission now has a clear directive from Congress to eliminate this perceived intrastate-interstate dichotomy.

Furthermore, in Puerto Rico, PRTC may charge its cellular affiliate the same unreasonable rates that it charges other CMRS carriers. The result is merely a paper transfer from one account of the Commonwealth government to another, supervised only by another branch of the same government.

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[23](...continued)
CCPR's network). In return, however, PRTC would have required CCPR, among other things to pay carrier common line and other increased charges on top of its already high ($.06) per-minute interconnect charges.

[24] NPRM at ¶ 81.

B. Implementation of Compensation Arrangements

1. Negotiations and Tariffing

The 1996 Act places the resolution of disputes between carriers in the hands of State commissions. In Puerto Rico, therefore, CCPR will be forced to seek mediation or arbitration assistance from the parent of its negotiation opponent. This has barred CCPR from effective State regulatory enforcement in the past. The adoption of clear rules mandating fully symmetrical bill and keep interconnection, as discussed above, would end the current difficulties by providing PRTC and CCPR with the basis for a new interconnection agreement. If the Commission's rules and policy are fair, precise, and, as required under the 1996 Act, enforceable by the Commission and the courts, the parties may be able to reach a negotiated settlement without resorting to an unproductive dispute resolution procedure.

Additionally, the Commission should adopt rules requiring LECs to repay CMRS providers any overcharges that have occurred since the original promulgation of the Commission's mutual compensation policy.[25]

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25 Radio Common Carrier Services 59 RR 2d 1275, 1283 (App.B) (Memorandum Opinion and Order, 1986), *clarified*, Declaratory Ruling, 2 FCC Rcd 2910 (1987), *aff'd on recon.*, 4 FCC Rcd 2369 (1989).

2. Jurisdictional Issues

The 1996 Act provides the Commission with a clear mandate to establish regulations governing interconnection between LECs and CMRS carriers.[26] The 1996 Act requires that the terms and conditions of interconnection be the subject of contracts derived through good faith negotiations by the involved parties and that such contracts provide for reciprocal compensation and rates that are just, reasonable, and nondiscriminatory.[27] States may continue enforcing policies and regulations to the extent that they are not inconsistent with or hinder the implementation of the interconnection requirements contained in the 1996 Act, but there is no longer any possibility for States to promulgate inconsistent treatment for the portions of interconnection used for intrastate communications.[28]

Additionally, the Act provides that State commissions are to mediate and arbitrate disputes involved in the negotiations of interconnection agreements.[29] The Commission is charged with the duty to preempt the authority of the State

[26] Section 101 of the 1996 Act, codified as 47 U.S.C. § 251(d).

[27] 47 U.S.C. §§ 251(b) and (c).

[28] 47 U.S.C. § 251(d)(3).

[29] 47 U.S.C. §§ 252(a)(2) and (b).

commission if the State agency fails to carry out its responsibility under the 1996 Act.[30] Accordingly, the Commission must establish rules and procedures to assume the mediation or arbitration of disputes arising from the negotiation of interconnection contracts in cases where the State commissions will not or cannot fulfill the requirements that the 1996 Act has imposed upon them. These rules should include requirements for Commission action within 90 days of the date on which it preempts the State's jurisdiction. As detailed above, because the LEC in Puerto Rico is a governmental entity, impartial mediation or arbitration by another division of the same government is not likely to be available. Therefore, involvement by the Commission or the courts in Puerto Rico interconnection matters is likely to be required.

30 47 U.S.C. § 252(e)(5).

IV. Application of These Proposals

The Commission should apply the regulations recommended in these comments to the interconnection of all CMRS providers that are capable of originating communications traffic that will interconnect with the public switched telephone network (*e.g.*, cellular, PCS, and SMR). The proposed regulations should not be limited to PCS,[31] because in the interests of enhancing competition among providers of substantially similar services, it is vital to allow competition to go forward on a level regulatory playing field. Because the concept of mutual compensation is at the heart of the proposals discussed herein, services such as one-way paging that do not involve the completion of calls on both sides of the point of interconnection should not be included. Nevertheless, paging operators should not be required to pay LECs for termination of LEC traffic on paging facilities.[32]

For the reasons discussed above, CCPR urges the Commission to adopt rules that will require bill-and-keep mutual compensation arrangement between

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31 NPRM at ¶ 119.

32 An affiliate of CCPR operates a wide-area paging system serving Puerto Rico and the U.S. Virgin Islands and currently is forced to pay for terminating such traffic in the same manner described above for cellular traffic. *See* pp 4-6 *supra*.